

SENATOR KELLY: With the prohibition of Real Estate in that section of the installment loan statute, banks or trust companies can not loan money and accept from the borrower real estate as collateral for those loans.

SENATOR CARPENTER: Now will the Senator yield for a couple of questions?

SENATOR KELLY: Yes.

SENATOR CARPENTER: Now are we talking for example industrial loans as well, or are we talking just about banks?

SENATOR KELLY: We are talking about banks and industrial loans and trust companies can do this now.

SENATOR CARPENTER: Alright, under their authority how long can make these loans for?

SENATOR KELLY: 120 months.

SENATOR CARPENTER: How much is that? About 10 years?

SENATOR KELLY: 10 years.

SENATOR CARPENTER: Well for example, what is the maximum amount of interest that they can charge?

SENATOR KELLY: They can charge 12% on the first thousand or correction, 18% on the first thousand 12% on the or above that.

SENATOR CARPENTER: Well now, it would seem to me that with a little bit unrealistic, that if we are going to do this for banks, which I don't particularly care, as long as we do it for others in a like position industrial loan companies. Now it would just seem to me that we are getting in the area of these banks performance that they are not satisfied. Now they want to get into this thing for example and take real-estate loans up to 10 years. I think that they are invading upon the area of the industrial loan area which they can't do it that long, I think that there is certainly a much shorter period of time, I don't know exactly what it is, but I don't see...these banks have got all of the opportunities to make all the money that they need. I don't think that they ought to have this right in order to go ahead and make a real estate loan for 10 years and to take into there note case, this could run into millions of dollars if used to its ultimate and its furthestest purpose and freeze that type of security and that kind of a fact for 10 years. I don't think that that is where it belongs.

SENATOR KELLY: Senator Carpenter to answer your question and I would agree with you that everybody should be competing equally and a.a...in this area and as it exists now all financial institutions do compete equally in this area except the banks and trust companies and they are prohibited from competing in that area.

SENATOR CARPENTER: That is not so. You are putting a rope around the industrials to a point that will limit it as to time. Much less the ten years. Now if you are going to give them the same opportunity and the same rates of interest I have no particular objection to it. After all the banks have more contacts with the people in the first place than

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